

RICHLAND SCHOOL DISTRICT No. 400
Benton County, Washington
September 1, 1992 Through August 31, 1994

Schedule Of Findings

1. Richland School District Should Include All Desired Goods And Services In Bid Requests For Proposal

District personnel met with yearbook vendors, prior to issuing a request for proposal for yearbook publication services, and indicated to those prospective vendors that they were in need of a computer. Consequently, each bidder included a computer as part of the services to be provided. These computers were not received through the formal purchasing channels, and were not charged against the appropriate budget line item.

By soliciting goods or services not specified in the official request for proposal, the district has created a weakness in internal control and circumvented the budget process.

District administration was not aware that these assets were being acquired through the yearbook bidding process.

This internal control weakness could permit assets to be diverted to personal use without detection. These added goods inherently increase vendor bids which in turn impact the amount students have to pay for their yearbooks - shifting capital equipment expense from its appropriate budget category to Associated Student Body expense.

We recommend Richland School District include all desired goods and services in bid requests for proposal.

2. The District Should Develop Written Associated Student Body (ASB) Policies And Procedures To Improve Internal Controls

The district does not have written policies and procedures to provide guidance to employees for the operation of ASB accounts.

An internal control system consists of the plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

Many of the people involved in ASB activities do not have the experience to know what the proper procedures are. The district has not been able to allocate the staffing or time needed to develop these procedures and properly train employees in how ASB accounts are to be handled.

When policies and procedures are not present, errors and irregularities can occur and not be detected in a timely manner.

We recommend the district develop ASB policies and procedures and distribute these to each school's activity director, ASB secretary, and ASB activity advisors. In addition, we recommend all employees who are involved with ASB activities be given training in how to properly account for the activities.

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Schedule Of Federal Findings

1. Food Service Menu Component Documentation Should Be Properly Prepared And Retained

Adequate meal component documentation at Richland School District could not be located for the two schools that were tested. At Sacajewea Elementary School no documentation could be located for fiscal year 1993 and all but one month of fiscal year 1994. At Hanford Middle and High School the meal component documentation did not always contain all of the actual quantities of a component served. Meal components are required to be computed to verify that meals served to students comply with the nutritional requirements established by the U.S Department of Agriculture.

The *Code of Federal Regulations*, Title 7, Chapter 11, Section 210.15 states in part:

(b) Recordkeeping summary. In order to participate in the Program, a school food authority shall maintain records to demonstrate compliance with Program requirements. These records include but are not limited to:

(2) Production and participation records to demonstrate positive action toward providing one lunch per child per day as required under 210.10(b).

Documentation required by the above criteria was not prepared because cooks did not place a high priority on preparing and maintaining the proper documentation.

Without proper documentation we could not verify that the meals prepared followed the menus, nor could we verify that the quantity of the items served was reasonable compared to the number of children claimed, for the two schools tested.

We recommend the district properly prepare and retain menu component documentation; as well as, periodically review the documentation to ensure they are properly filled out and retained.